

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1300-01  
Bill No.: SB 452  
Subject: Insurance - Medical; Insurance Dept.  
Type: Original  
Date: February 18, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>
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FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Missouri Consolidated Health Care Plan** and **Department of Insurance** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Missouri Department of Conservation (MDC)** state the proposed legislation would appear to have no fiscal impact on MDC funds.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** defer to the Department of Transportation for response regarding the fiscal impact of the proposal on the MHP.

Officials from the **Department of Transportation** state that since this proposal pertains to health services corporations and HMOs only and does not pertain to the Highway & Patrol Medical Plan, there would be no fiscal impact to the Missouri Highway Transportation Commission or the Highway & Patrol Medical Plan.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state the proposed legislation increases the time the director of insurance has to approve changes in a health services corporation or health maintenance organization's policy and establishes a twelve month time frame for disapprovals. The procedural changes are related to the operations within the Department of Insurance. Therefore, there is no fiscal impact to the DMS.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal holds that whenever a health service corporation or a health maintenance organization submits a policy form to the Director of Insurance, and the Director does not disapprove the form within 45 days (up from 30 days), the form is deemed approved and is not subject to disapproval for 12 months. If during the 12-month period the Director determines that any provision of the policy is contrary to statute, the Director shall notify the health service corporation or HMO of the specific provision that is contrary to statute and may request that it file an amendment within 30 days to modify the provision so that it conforms with the statute.

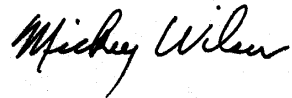
Upon approval of the amendment by the Director, the health services corporation or HMO shall issue a copy of the amendment to each individual or entity in which the deemed policy form was previously issued. The health services corporation or HMO may issue the conforming amendment to the group contract holder so that it can distribute the amendment to its members or by including a copy of the amendment in the health services corporation's next scheduled mailing to its members. Such amendment have the force and effect as if the amendment was in the original filing or policy (Sections 354.085 and 354.405).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

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Department of Transportation  
Department of Social Services  
Department of Public Safety -  
Missouri Highway Patrol  
Missouri Consolidated Health Care Plan  
Department of Insurance  
Missouri Department of Conservation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 18, 2003